



Department of Economic and Community Development



LEGISLATIVE SUMMARY 2017

Dannel P. Malloy
Governor

Catherine H. Smith
Commissioner

LEGEND

AAC	“An Act Concerning...”
CAA	“Connecticut Airport Authority”
CII	“Connecticut Innovations, Inc.”
Commissioner	Unless otherwise defined, is the Commissioner of DECD
CRDA	“Capitol Region Development Authority”
CTSB	“Connecticut Transportation Strategy Board”
DECD	the “Department of Economic and Community Development”
Department	“DECD”
DEEP	the “Department of Energy and Environmental Protection”
DOT	the “Department of Transportation”
DPH	the “Department of Public Health”
DSS	the “Department of Social Services”
DRS	the “Department of Revenue Services”
HB	“House Act”
JSS	“June Special Session”
LLC	“limited liability company”
MAA	the “Manufacturing Assistance Act”
MME	“Manufacturing Machinery and Equipment”
OHE	the “Office of Higher Education”
OPM	the “Office of Policy and Management”
OBRD	the “Office of Brownfield Remediation and Development”
OWC	the “Office of Workforce Competitiveness”
PA	“Public Act”
SA	“Special Act”
SB	“Senate Act”
SSS	“September Special Session”

Sources of Information

The following summaries have been compiled from the Office of Legislative Research and Office of Fiscal Analysis and tailored specifically for the Department of Economic and Community Development. Only Public Acts affecting, or of interest to, the Department are included in this summary.

Prepared by:
Department of Economic & Community Development
2017

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AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION AND OCCUPATIONAL LICENSING

SUMMARY: This act eliminates the following Department of Consumer Protection occupational licenses, registrations, and certificates:

1. swimming pool assembler's license (CGS § 20-340e);
2. athlete agent registration, by repealing the Uniform Athlete Agents Act (CGS §§ 20-559 to -59s);
3. shorthand reporter's license, which was required to practice shorthand reporting in arbitration proceedings, administrative hearings, depositions, or other proceedings or matters in state courts (CGS §§ 20-650 to -656);
4. itinerant vendor's license and municipalities' specific authority to license itinerant vendors (CGS §§ 21-27 to -35); and
5. liquor wholesaler's salesman certificate, which was required by anyone who sold or offered to sell alcoholic liquor to a retailer (CGS § 30-17b).

Under the act, workers in these occupations no longer need a state credential.

The act also eliminates real estate student intern programs in which students enrolled in an accredited school who were directly supervised by a licensed real estate broker were, with the Real Estate Commission's approval, exempt from other real estate licensing requirements while enrolled in the program.

The act also makes minor, technical, and conforming changes.

EFFECTIVE DATE: January 1, 2018

AN ACT CONCERNING STATE HISTORICAL MUSEUMS AND THE RELOCATION OF BUSINESSES RECEIVING FINANCIAL ASSISTANCE FROM THE STATE

SUMMARY: This act tightens the criterion for determining whether businesses must repay, with a penalty, any state economic development assistance they received if they relocate outside Connecticut within a specified period. Under the act, a business must repay the assistance and a penalty if the Department of Economic and Community Development (DECD) commissioner determines it transferred a "substantial portion" of its operation, or those of any of its divisions, out of state. Under prior law, the business had to repay the assistance plus a penalty only if it transferred its entire operation or that of any of its divisions out of state.

By law, a business cannot receive economic development assistance unless it agrees not to relocate from Connecticut for 10 years after receiving the assistance, or the term of a state loan or loan guarantee, whichever is longer. If it relocates before the period expires, it must repay the entire amount of the assistance plus 5% (CGS § 32-5a).

The act also changes the law to reflect that DECD operates the Prudence Crandall, Old New-Gate Prison and Copper Mine, and the Eric Sloane and Kent Iron Furnace museums. Under prior law, DECD operated only the Henry Whitfield House museum, which it continues to do under the act.

EFFECTIVE DATE: Upon passage, except the change to the criterion for imposing the relocation penalty takes effect October 1, 2017.

Public Act# 17-212

HB# 7225

AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO COMMERCE-RELATED STATUTES

SUMMARY: This act repeals an obsolete provision requiring the Department of Economic and Community Development to establish a program to employ youths and young adults for specific bond-funded projects. The projects' bond authorizations were repealed by PA 14-98, and the program was not implemented.

The act also makes various technical changes to the economic development statutes.

EFFECTIVE DATE: Upon passage

Public Act# 17-103

HB# 7230

AN ACT CONCERNING THE SECRETARY OF THE STATE'S ELECTRONIC BUSINESS PORTAL

SUMMARY: This act requires the Department of Economic and Community Development (DECD) to encourage entrepreneurship by promoting the secretary of the state's electronic business portal and identify how the portal can be modified to make it easier for businesses to register with the secretary. DECD must do these things within available appropriations and in collaboration with the secretary's office.

By law, the secretary must establish and maintain the portal to provide a single entry point for businesses registering with her office. The portal must provide explanatory information and electronic links to other state agencies and organizations designed to help businesses (1) obtain necessary licenses and permits, (2) identify taxes and other revenue possibilities and benefits, and (3) find relevant state financial incentives and programs.

EFFECTIVE DATE: October 1, 2017

Public Act# 17-110

HB# 5583

AN ACT EXPANDING INVESTMENT ELIGIBILITY UNDER THE ANGEL INVESTOR TAX CREDIT PROGRAM

SUMMARY: This act (1) opens the angel investor tax credit program to Connecticut businesses in any industry, instead of just those in emerging technology industries, and (2) generally limits the amount of credits that may be awarded for investments in businesses in emerging technology industries.

By law, “angel investors” who invest at least \$25,000 in Connecticut Innovations, Inc. (CI)-approved businesses are eligible for a personal income tax credit equal to 25% of their investment, up to \$250,000. (“Angel investors” are investors who (1) review new or proposed businesses for potential investment, (2) are considered “accredited investors” by the Securities and Exchange Commission, and (3) may seek active involvement in their business investments.) A business must apply to CI for approval to receive credit-eligible cash investments. CI then certifies that the business meets the applicable criteria (e. g., is principally located in the state, has been in operation less than seven years, and has less than \$1 million in annual revenue).

Under prior law, only businesses engaged in bioscience, advanced materials, clean technology, photonics, and information technology (which the act terms collectively as “emerging technology businesses”) could get CI approval. Under the act, a business in any industry can get CI approval if it meets the applicable criteria.

By law, the angel investor tax credit program is capped at \$3 million per year, and investors apply to CI to have credits reserved for their investments in CI-approved businesses. Previously, all the credits were dedicated to emerging technology businesses, because only they qualified. Under the act, the amount of credits that CI may reserve each year for investments in emerging technology businesses is capped at 75% of the total amount of credits available that year (\$2.25 million), except that CI may exceed this cap if any unreserved credits remain after April 1 in each year.

EFFECTIVE DATE: July 1, 2017

Public Act# 17-132

HB# 7062

AN ACT CONCERNING THE DEVELOPMENT OF THE CONNECTICUT-MADE DESIGNATION

SUMMARY: This act requires the Department of Economic and Community Development (DECD) commissioner to develop a “CONNECTICUT-MADE” or “CT-Made” logo that Connecticut manufacturers and producers can use to promote products they manufacture or produce here. She must make the logo available to these businesses through an internet website, which, along with the logo, can be promoted by other state and local agencies and public and private institutions.

The commissioner must also develop guidelines for how businesses can use the logo to brand these products. In doing so, she may specify the types of products that businesses may brand as “CONNECTICUT-MADE” or “CT-Made” and the extent to which they can adjust the logo's proportions or colors.

The act prohibits her from contracting with any third party to develop the logo or guidelines.

Prior law required the commissioner to establish and administer a Connecticut-made products marketing program and authorized her to make grants, within available appropriations, to people and businesses for incorporating the phrases, “CONNECTICUT-MADE” or “CT-Made” in their promotional and marketing activities. The act allows, rather than requires her to establish and administer the program and eliminates her authority to make the grants. It also eliminates a related annual reporting requirement.

EFFECTIVE DATE: October 1, 2017

AN ACT EXTENDING THE DEADLINE FOR APPROVAL OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS

SUMMARY: This act reestablishes, through January 1, 2020, the governor's authority to approve up to five public-private partnership (P3) project agreements. This authority previously expired on January 1, 2016.

Generally, a P3 is an agreement between a state executive branch or quasi-public agency and a private entity to finance, design, construct, develop, operate, or maintain certain "facilities." The agreement may authorize any combination of these functions for one or more facilities and must be approved by the governor. The governor cannot approve the agreement unless he finds it will create jobs and economic growth.

By law, the following are eligible facilities:

1. educational, health, early childcare, or housing facilities;
2. transportation systems, including ports, transit-oriented development, and related infrastructure; and
3. any other type of facility designated as a P3 by an act of the legislature (CGS § 4-255).

EFFECTIVE DATE: Upon passage

AN ACT CONCERNING THE CREATION OF A SMALL BUSINESS HOTLINE

SUMMARY: This act requires the Department of Economic and Community Development (DECD) commissioner to establish and operate a hotline that provides individualized information and guidance to entrepreneurs and small business owners on how to start and develop a business, identify networking resources, and access technical and financial assistance from the state and quasi-public agencies. The act requires the commissioner to establish the hotline by October 1, 2017, and operate and staff it, within available appropriations, during normal business hours. It allows her to do these things in collaboration with a nonprofit organization.

The act also requires the commissioner to submit a report on the hotline to the Commerce Committee by January 1, 2019. The report must describe (1) the hotline's services, (2) how DECD advertises the hotline to businesses, and (3) the most common types of assistance requested through the hotline. It must also provide statistics on the hotline's call volume.

EFFECTIVE DATE: October 1, 2017

AN ACT CONCERNING THE IDENTIFICATION OF EMERGING ECONOMIC TRENDS

SUMMARY: This act establishes a method to continuously analyze economic and business conditions and generate for legislators periodic reports that, among other things, recommend appropriate legislative and programmatic actions. The method must be implemented by a private research

organization selected by the board of CTNext, a subsidiary of Connecticut Innovations that fosters innovation and entrepreneurship.

The act requires the organization to provide specific services. Among other things, it must track developments in the state's major industry sectors and develop contacts and working relationships with business organizations, unions, and academic institutions. When consulting academic institutions, the organization must assess the extent to which they interact with businesses and develop educational and training programs that meet business needs.

The organization must meet with the CTNext board at least quarterly. It must also submit a comprehensive annual report to the board that recommends specific steps to achieve the goals established through the assessment process. The board's chairperson and the organization's lead representative must present the report to the Commerce and Finance, Revenue and Bonding committees at a joint hearing, which various state officials must attend. The committees must include the organization's recommendations in the bills they propose during the next regular legislative session.

EFFECTIVE DATE: Upon passage

SELECTING AND OVERSEEING THE PRIVATE RESEARCH ORGANIZATION

The act requires CTNext's board of directors to select and oversee a private research organization to provide the services the act specifies. The board must issue a request for proposals to provide these services, select the organization to provide them, and enter into an agreement with that organization. The act does not set deadlines for completing these tasks or provide funds to compensate the organization.

The board must annually specify the organization's scope of work and may change it, as the board deems necessary or prudent in light of economic trends or developments, as long as the changes do not generate additional costs to the state.

RESEARCH ORGANIZATION

Required Services

The research organization must continually advise, guide, and assist the state in short- and long-term strategic economic planning by:

1. identifying emerging industries in which the state should make strategic investments based on the state's existing and potential strengths in the relevant workforce, education and research capacity, and mix of existing businesses and industries;
2. suggesting policy changes to support emerging industries and better meet the needs of established ones by bolstering the state's workforce and education and research capacity;
3. periodically and regularly assessing the health of the state's established industries and the potential threats they face;
4. forecasting short-term and long-term business trends that could affect new and existing businesses;
5. developing opportunities and business strategies to attract, retain, and develop emerging and mature businesses and industries;
6. accelerating the pace at which new and emerging businesses innovate; and

7. periodically assessing the state's economic conditions to identify strengths, weaknesses, opportunities, and threats with respect to the above goals, and, based on that assessment, develop and promote policy recommendations.

Method

The act specifies the kinds of things the organization must do to meet the act's requirements. The organization must:

1. track and analyze developments in the state's major industry sectors, including health care and bioscience, financial services, insurance, venture capital, advanced manufacturing, aerospace, digital media and information technology, software development, data analytics, green technologies, and tourism;
2. consult with representatives of (a) public and private employee organizations about the development of the state's workforce and (b) public and independent higher education institutions in the state about developments in their sphere; and
3. develop contacts and working relationships with representatives of the above businesses, organizations, and institutions to be continually up-to-date and informed about emerging trends in their fields.

The organization must also have expertise in Connecticut economic history and forecasting, technology and technological advancements, strategic business planning and organizational development, investment and finance, the research and development process, and commercializing technology, or consult with experts in these fields.

In consulting with higher education representatives, the organization must examine the institutions' relationships with the state's major industry sectors. It must specifically examine the:

1. extent to which these institutions regularly communicate with businesses in the state's major industry sectors;
2. alignment of academic curricula, degree programs, and graduation rates in all the institutions' academic fields with the workforce and skill needs of the state's major industry sectors; and
3. institutions' responsiveness to these sectors' changing needs.

The organization must consider in its economic assessments the information it receives from the representatives of employee organizations and higher education institutions.

RESEARCH AND REPORTING

The act generally requires the organization to continuously gather and analyze economic information, periodically report to CTNext's board, and advise the board on the status of previously recommended actions.

Reporting

The organization must report quarterly to the board, updating it on the status of previously recommended legislative and programmatic changes. Its report must address any changes that state agencies implemented in response to its recommendations and whether the changes are achieving their goals or expected to do so. The organization must also inform the board about any economic or business problems or issues that could harm the state's major industry sectors.

The organization's fourth quarter report must also include the organization's recommendations for legislative and programmatic changes and actions aimed at achieving the state's economic development goals.

Lastly, the organization must submit an annual comprehensive report to the board that includes the information it gathered throughout the year. (The act does not specify a date by which the organization must start reporting.)

Public Hearing

Under the act, the CTNext board chairperson and a lead representative from the organization must present the organization's annual report to a joint hearing of the Commerce and Finance, Revenue and Bonding committees. Before the hearing, the lead representative must provide the committees' chairpersons with a list of the department heads, chief executive officers, presidents, deans, and comparable officials whose (1) state agencies or institutions are included in the report and (2) testimony the representative believes would be helpful to committee members. The committee chairpersons may also require representatives from other state agencies and institutions to testify at the hearing.

Committee members may question any individual who appears before them, including the lead representative and the chairperson of the CTNext board. The lead representative and the chairperson may also question the people testifying at the hearing.

Legislative Proposals

The act requires the Commerce and Finance, Revenue and Bonding committees to include the organization's recommendations in the bills they propose during the subsequent regular legislative session.

Public Act# 17-192**HB# 7138**

AN ACT CONCERNING LEGISLATIVE OVERSIGHT OF MAJOR TRANSPORTATION PROJECTS AND PLANNING

SUMMARY: This act establishes an 18-member Transportation Policy Advisory Council as part of the executive branch and within the Office of Policy and Management (OPM) for administrative purposes only. It charges the council with various responsibilities related to transportation policy, including reviewing the five-year transportation capital plan developed annually by the Department of Transportation (DOT).

The act requires DOT, in consultation with specified commissioners and legislators, to develop and submit for legislative approval a method for assessing each transportation project to determine the project's impact on economic development, transit-oriented development, housing development, access to employment, the environment, traffic congestion, and public safety. The act generally (1) requires the commissioner to use the method to assess each "transportation project" as defined by the act and (2) prohibits the commissioner from requesting funding for any project he has not assessed.

Under the act, a "transportation project" is any transportation planning or capital project that the state begins on or after July 1, 2018 that (1) expands capacity on a limited access highway, transit or railroad system, or parking facility or (2) is estimated to cost at least \$150 million.

EFFECTIVE DATE: October 1, 2017, except for provisions related to the project assessment method, which are effective upon passage.

TRANSPORTATION POLICY ADVISORY COUNCIL

Council Membership and Procedure

Under the act, the council has 18 members, 13 of whom are voting members and five of whom do not vote. Eight of the voting members are appointed (two by the governor and one by each of the six legislative leaders) and five serve ex-officio: the OPM secretary, who acts as the chairperson; state treasurer; and commissioners of the departments of Economic and Community Development (DECD), Energy and Environmental Protection (DEEP), and Housing. The five nonvoting members are the DOT commissioner and the chairpersons and ranking members of the Transportation Committee. The OPM secretary, the treasurer, and the commissioners may each be represented by a designee.

Under the act, legislative appointees can be legislators. (It appears that such an appointment may violate a state constitutional and statutory ban on legislators holding positions in the executive branch (Conn. Const., art. III § 11; CGS § 2-5).) All of the appointees serve at the pleasure of, and their terms are coterminous with, their appointing authorities. Appointing authorities fill any vacancies.

The act requires initial appointments to the council to be made by December 1, 2017 and the OPM secretary to schedule and hold the council's first meeting by February 1, 2018. Three-fourths of the council's voting members constitute a quorum.

Council members are not paid but may be reimbursed, within available funding, for necessary expenses they incur.

Council Powers and Duties

Under the act, the council has various powers and duties related to transportation policy. The act charges the council with:

1. developing and recommending policies to improve transportation planning and select transportation projects;
2. advising the DOT commissioner on policies to promote economic development, transit-oriented development, housing development, access to employment, environmental protection, and the specific needs of geographic areas of the state; and
3. reviewing assessments of transportation projects (see below).

The act requires the council to review the five-year transportation capital plan DOT develops each year, including:

1. examining the plan's impact on the state's present and future transportation needs;
2. evaluating whether the plan assures the development of an adequate, safe, and efficient transportation system; and
3. conducting an annual public hearing on the plan and seeking testimony from metropolitan planning organizations (MPOs) on transportation projects within their district boundaries. (MPOs, comprised of local government and transportation officials, provide regional input and work with DOT in the federally required transportation planning process.)

The act also authorizes the council to (1) obtain from any executive branch agency, board, commission, or other state agency any data or assistance it needs to fulfill its charge and (2) perform any other necessary and appropriate acts.

The council may also establish committees to advise it. The committees must consist of transportation professionals, advocates, and other interested stakeholders.

Reporting

The council must annually report on its activities, starting by January 1, 2019, to the Transportation and Finance, Revenue and Bonding committees.

TRANSPORTATION PROJECT ASSESSMENT METHOD

The act requires the DOT commissioner to develop a method to assess each transportation project's impact on economic development, transit-oriented development, housing development, access to employment, the environment, traffic congestion, and public safety. In doing so, the commissioner must consult with the OPM secretary; chairpersons and ranking members of the Transportation and Finance, Revenue and Bonding committees; and the DECD, DEEP, and housing commissioners.

Legislative Review and Approval

By February 1, 2018, the act requires the DOT commissioner to submit the assessment method to the Transportation Committee. The committee must meet to approve or reject the method within 60 days of receiving it. The method becomes effective upon the committee's affirmative vote or failure to take action by the 60-day deadline. If the committee rejects the method, the DOT commissioner must revise it and return it to the committee within 30 days after the rejection.

Assessment of Projects

Beginning July 1, 2018, the act requires the DOT commissioner to assess each transportation project using the approved assessment method. The commissioner must submit the assessments to the council and post them on DOT's website.

The act prohibits the commissioner from including a project in the five-year capital plan if he has not assessed the project using the approved method. It also prohibits him from submitting a bonding or appropriation request to the legislature for a project if he has not submitted the project's assessment to the council, unless the project (1) is necessary to maintain the state's infrastructure in good repair, as determined by the commissioner, and (2) does not meet the act's definition of transportation project.

The act requires the DOT commissioner to annually report to the Transportation and Finance, Revenue and Bonding committees, starting by January 1, 2019, on the transportation project assessments completed in the previous calendar year.

Public Act# 17-207**HB# 5590**

AN ACT CONCERNING THE WORKFORCE DEVELOPMENT SYSTEM IN THE STATE OF CONNECTICUT

SUMMARY: This act creates a Workforce Training Authority and a related Workforce Training Authority Fund to (1) develop and implement job training programs for businesses relocating to

Connecticut and (2) train or retrain workers in Connecticut to achieve workforce development goals set by the Connecticut Employment and Training Commission (CETC).

It codifies in statute two existing programs, the Connecticut Preschool through Twenty and Workforce Information Network (CP20 WIN) and the Connecticut Early College Opportunity Program (CT-ECO).

It (1) requires the Department of Labor (DOL) to analyze job training program information and submit various reports to the governor and specified legislative committees and (2) makes other changes to laws related to workforce development.

EFFECTIVE DATE: Various, see below.

§§ 7, 8 & 9 – WORKFORCE TRAINING AUTHORITY AND WORKFORCE TRAINING AUTHORITY FUND

Overview

The act creates a Workforce Training Authority and related Workforce Training Authority Fund and designates DOL as the fund administrator. The act allows the fund to provide training assistance to eligible recipients that the authority approves and reimburse the administrator for administrative costs.

The act establishes a 16-member board to oversee the authority; sets certain board procedures, including how administrative costs will be paid; and outlines the application and approval process for eligible recipients.

Board Members

The board consists of 11 appointed members and the following five members who hold a seat by virtue of their position: the correction, economic and community development (DECD), and labor commissioners and the Connecticut State Colleges and Universities (CSCU) and UConn presidents. Any member may designate someone to represent him or her. The labor commissioner serves as the board's chairperson.

Table 1 identifies the appointed members and the appointing authorities.

Table 1: Workforce Training Authority Appointed Board Members

<i>Appointing Authority</i>	<i>Number of Appointees</i>
Governor	Four
Senate president pro tempore	One
Republican Senate president pro tempore	One
Senate majority leader	One
Senate minority leader	One
House speaker	One
House majority leader	One
House minority leader	One

Each legislative appointee must have skill, knowledge, or experience in industries and sciences related to insurance, financial services, bioscience, advanced manufacturing, digital media, green technology, and tourism. (Presumably, skill, knowledge, or experience in one of the named areas is sufficient.

All initial appointments must be made by October 1, 2017. An appointed member serves a term coterminous with that of the appointing authority. Each member holds office until a successor is appointed. The appointing authority must fill vacancies for the balance of an unexpired term.

Board Procedures

The chairperson must call the first board meeting by December 1, 2017, and the board must meet as the chairperson deems necessary. Board members are not compensated for their services.

A majority of the members constitute a quorum for transacting business or exercising any board power. Once a quorum is established at a meeting, the board can act by a majority of the members present at such a meeting for transacting business or exercising any power, except as provided below (see below, *Expenditures*).

Under the act, it is not a conflict of interest for a trustee; director; partner; officer; shareholder; public official acting in his or her official capacity; or an employee of, or any individual with a financial interest in, an eligible recipient to serve as a board member; provided they do not deliberate, act, or vote on matters relating to the eligible recipient. However, a public official acting in his or her official capacity may engage in the deliberation.

The board may develop industry-specific advisory councils to provide guidance on job market trends and develop connections with the business community.

Training Authority Fund

The fund is authorized to accept (1) funds from the authority; (2) money received as part of a memorandum of understanding with the authority; (3) private contributions, gifts, grants, donations, bequests, or devises it receives; and (4) any local, state, or federal funds it receives, provided this is not otherwise prohibited by state or federal law. The act specifies that the fund is a DOL account.

The act authorizes fund money to be used to (1) provide training assistance to eligible recipients that the authority approves and (2) reimburse DOL for administrative costs. Training assistance must target job growth in the areas of insurance, financial services, bioscience, advanced manufacturing, digital media, green technology, and tourism.

The act requires DOL, in its capacity as fund administrator, to consult with DOL's apprenticeship training office; CETC; the Planning Commission for Higher Education; and the Connecticut Manufacturing Innovation Fund about the programs the fund assists. DOL must do so to ensure that any new programs are coordinated and compatible with existing programs.

Expenditures

Under the act, the board must approve all authority expenditures, except those to reimburse DOL for its costs to administer the fund. The board may delegate to DOL, as the fund administrator, the authority to approve transactions of less than \$100,000. Any approval by the board must be for:

1. an individual specific expenditure;

2. budgeted expenditures with variations as the board may authorize when budget approval is made; or
3. training assistance programs administered by DOL staff, subject to limits, eligibility requirements, and other conditions the authority establishes.

The act requires that the fund pay or reimburse DOL for its administrative costs, but it limits the total reimbursement for each fiscal year to 5% of the total amount of the allotted funding for that year as determined in the operating budget. Nothing in the act can be deemed to require DOL to risk or expend DOL funds in connection with the fund administration.

DOL must provide any necessary staff, office space, office systems, and administrative support for the fund's operation. In acting as administrator of the fund, DOL may exercise all of the powers the act sets, provided fund expenditures must be approved by the authority according to the act.

Application and Approval Process

The act requires the authority to establish an application and approval process with guidelines and terms for developing and implementing training programs the fund awards to eligible recipients.

The guidelines and terms must include the following:

1. a requirement that any applicant for training assistance must operate in the state or propose to relocate operations to the state, in whole or in part, as a condition of the assistance;
2. eligibility requirements for training, including a requirement for applicants to obtain matching funds from sources other than the state;
3. a process for preliminary DOL application review for strength and eligibility before applications are presented to the board for consideration;
4. return on investment objectives, including job growth and leveraged investment opportunities;
5. a requirement that any business that receives assistance must first consider applicants who have completed the universal intake form; and
6. other guidelines and terms that the board determines to be necessary and appropriate.

In developing the guidelines, the board must include considerations for the businesses' size and the number of workers employed. Additionally, it must consider developing training programs and creating career pathways for formerly incarcerated individuals.

Any training assistance the fund awards to eligible recipients must be used for costs related to facilities, necessary furniture, fixtures and equipment, development of programs, implementation of training programs, materials and supplies, compensation, apprenticeship, and such other costs that the board determines to be eligible for training assistance.

Plan of Operations and Budget

The act requires DOL to prepare the authority's operations plan and budget by July 1, 2018, and before the start of each subsequent fiscal year. At least 90 days before the start of each fiscal year, DOL must submit the plan and budget to the authority board for review and approval.

Reporting Requirements

On January 1, 2019, and annually thereafter, DOL must provide a report of the fund activities to the authority board for review and approval. After approval, the board must provide the report to the Commerce, Higher Education and Employment Advancement, and Labor committees. The report

must contain available information on the status and progress of the fund's operations and funding sources, types and amounts of financial assistance awarded, and recipients of assistance.

EFFECTIVE DATE: Upon passage

§ 4 — ESTABLISHING CP20 WIN

The act establishes in statute CP20 WIN and its executive board and authorizes the board to establish processes and structures under which participating agencies can securely share longitudinal data by using the network's standards and policies.

Under the act, the network is the system to match and link data from state agencies and other organizations to conduct audits and evaluations of federal and state education programs. In practice, CP20 WIN and an executive council already exist through agreements between various agencies that govern how they share data. The act places these existing processes in statute.

Under the act, agencies participating in the network include CSCU; the State Department of Education (SDE); DOL; the Office of Early Childhood (OEC); UConn; the Connecticut Conference of Independent Colleges (CCIC); and any entity that has a memorandum of agreement (MOA) for participating in the CP20 WIN approved by other participating agencies. Before the act's passage, the network existed through MOAs between a number of state agencies, including SDE; UConn; CSCU; and DOL.

CP20 WIN Executive Board

The act creates in statute the CP20 WIN executive board to govern and oversee the network. The board consists of the following members, or their designees:

1. the education, labor, and OEC commissioners;
2. the CSCU and UConn presidents;
3. the chairperson of the CCIC board; and
4. the Office of Policy and Management (OPM) secretary.

The act requires the board to perform the following duties:

1. advance a vision for CP20 WIN, including a research agenda, with the Planning Commission for Higher Education's support;
2. establish a data governing board to establish and enforce policies related to cross-agency data management, including data confidentiality and security aligned with the network policy and vision and any applicable law;
3. convene as needed to respond to issues from the data governing board;
4. identify and work to secure resources necessary to sustain the network funding;
5. support system implementation, maintenance, and improvement by advocating for the network in regard to policy, legislation, and resources;
6. advocate and support the state's vision for the network;
7. be responsible for overall fiscal matters and policy for the network; and
8. in any circumstances in which public funds or resources are to be jointly used with those from private entities, ensure that these arrangements are governed by appropriate agreements approved by the attorney general.

The act requires the data governing board to consult with OPM on the statutorily required data sharing program that OPM, by law, manages for all executive branch agencies and other applicable statutes and policies when developing a data-management policy (CGS § 4-67n).

Furthermore, the act allows the executive board to appoint advisory committees to make recommendations on data stewardship, data system expansion and processes, and such other areas that will advance the network's work.

System Elements

The act identifies and defines several of the system's components.

1. "Data definitions" are the plain language descriptions of data elements.
2. "Data dictionary" is a listing of the names of a set of data elements, their definitions, and additional meta-data that does not contain any actual data, but provides information about the data in a data set.
3. "Data elements" are units of information stored or accessed in any data system, such as a student identification number; course code; or cumulative grade point average.
4. "Meta-data" is the information about a data element that provides context for that data element, such as its definition; storage location; format; and size.

EFFECTIVE DATE: Upon passage

§ 5 – CT-ECO PROGRAM

The act establishes in statute the CT-ECO program, which currently operates in several school districts, including Danbury, New London, Norwalk, and Windham. Under the act, the program is a collaboration between a school district's high schools; a local community college; and a company or business entity where a student may earn an industry-recognized, two-year postsecondary degree in addition to a high school diploma.

Statewide Plan and Plan Reports

The act requires CETC to include CT-ECO in its statewide plan to implement, expand, and improve career certificate programs, middle college programs, and early college high school programs.

The act requires CETC to collaborate with CSCU and SDE in developing the plan. By law, CETC already collaborates with the state's regional workforce development boards in developing the plan. The act also expands the types of jobs the plan must address to include those targeted in science, technology, engineering, and math industries. The plan already had to address those in the manufacturing, health care, construction, green industries, and other emerging sectors of the economy.

The act also eliminates a definition of contextualized learning and removes it as a required part of the plan.

The act sets January 1, 2018 as the deadline for CETC to report on the plan to the Higher Education and Employment Advancement Committee. It sets September 1, 2018, and annually thereafter, as the deadline for CETC to report to the committee on the status of the plan's programs.

EFFECTIVE DATE: Upon passage

§ 6 - CT-ECO OUTREACH COORDINATOR

The act requires the CSCU president, by October 1, 2017, to create an outreach coordinator position within CSCU. (The program is already operating, and the CSCU Board of Regents has a person in this position.) The coordinator must act as a liaison between institutions within the system and businesses in the state to develop workforce education and job training opportunities, including CT-ECO.

EFFECTIVE DATE: October 1, 2017

§ 1 – BUSINESS SUPPORT SERVICES WORKING GROUP

The act allows the labor commissioner, on or before October 1, 2017, to establish a working group to review business support services in the state. The group may consist of one business services representative from each of the following agencies: DOL, DECD, and the Workforce Development Board (WDB).

Under the act, the group is authorized to review business support services offered by these agencies and consider ways to better coordinate the services to benefit businesses in Connecticut, including the development of a shared database of business support services and shared marketing materials.

The labor commissioner may make recommendations for legislation to the governor and the Labor and Public Employees, Commerce, and Higher Education and Employment Advancement committees.

EFFECTIVE DATE: Upon passage

§ 2 – JOB TRAINING INTAKE FORM AND JOB TRAINING ANALYSIS REPORT

The act requires the labor commissioner to develop and implement a universal intake form that each person entering any American Job Center or regional workforce development board facility must complete. The form must request from each person information that the labor commissioner deems necessary in order to report to the General Assembly on the success of the job assistance provided.

By December 1, 2017, and annually thereafter, the act requires the commissioner to report to the Labor Committee on the following:

1. how many people use the American Job Center (formerly known as the One Stop Job Center) or Workforce Development Board facility job training programs and services and how many obtained jobs after using these programs and services,
2. the categories of job skills indicated on the universal intake form and the number of people with each of these skills,
3. a determination of the job skills necessary for employment in the state,
4. how many people are in the various job pathways,
5. the average wage or salary of the positions of those who obtain jobs after using job training programs and services, and
6. the industry sectors in which people were hired after using the job training programs and services.

EFFECTIVE DATE: July 1, 2017

§ 3 – SOFT SKILLS PROGRAM

Under the act, the labor commissioner must prepare and issue, by October 1, 2017, a request for proposals (RFP) to develop and implement a “soft skills” program for trainees that develops the character traits and interpersonal skills that characterize a person’s relationship with other people and do not rely on acquired knowledge or technical skills. Such skills include attitudes and social and communication skills.

The RFP must require each person, firm, or corporation submitting a proposal to (1) demonstrate coordination with an emerging industry partner in the state in developing a soft skills curriculum and (2) provide any other information the commissioner deems necessary.

EFFECTIVE DATE: July 1, 2017

§ 10 – REPORT ON REPORTS

The act requires the labor commissioner, by December 1, 2017, to submit a report to the Education, Higher Education and Employment Advancement, and Labor committees that includes (1) all workforce reports published in coordination with the Labor Department and other agencies including recommendations for consolidating them and (2) initiatives for promoting increased interagency data collection and sharing.

EFFECTIVE DATE: Upon passage

Public Act# 17-213

HB# 7226

AN ACT CONCERNING AWARDS FROM THE CONNECTICUT ARTS ENDOWMENT FUND

SUMMARY: This act adjusts the amount available each year for matching grants from the Connecticut Arts Endowment Fund, which provides the grants to nonprofit Connecticut arts organizations that raise a certain amount of funds from private donors (CGS § 10-407).

Under prior law, the amount available was the greater of the (1) total increase in the fund's market value, up to 5% of its total market value, or (2) fund's investment earnings. The act sets the amount at 4% of the fund's four-year average market value.

The act also eliminates a requirement that the state treasurer annually notify the Department of Economic and Community Development and the Connecticut Arts Council on the fund's total (1) increase in market value and (2) investment earnings for the prior fiscal year. Instead, she must only notify the department and council of the amount available for grant payments.

EFFECTIVE DATE: July 1, 2017

AN ACT CONCERNING THE CREATION OF CONNECTICUT BROWNFIELD LAND BANKS, REVISIONS TO THE BROWNFIELD REMEDIATION AND REVITALIZATION PROGRAM AND AUTHORIZING BONDS OF THE STATE FOR BROWNFIELD REMEDIATION AND DEVELOPMENT PROGRAMS

SUMMARY: This act establishes a framework for local nonprofit organizations to acquire and remediate contaminated property (i.e., brownfields) and sell the remediated property for redevelopment. As part of that framework, a nonprofit may access the same tools and incentives available to municipalities for remediating and redeveloping brownfields, but first must (1) be certified by the Department of Economic and Community Development (DECD) as a Connecticut Brownfield Land Bank (CBLB) and (2) enter into a land banking agreement with one or more municipalities.

Also, the act makes it easier for developers and other eligible parties to access DECD's Brownfield Remediation and Revitalization Program and makes several other administrative and conforming changes. It allows developers to remediate a brownfield one section at a time and receive the program's liability protection for that section, instead of having to remediate the entire brownfield before receiving any protection. The act also protects lenders from liability when they hold a mortgage or other security interest in a brownfield that a developer is remediating under the program.

EFFECTIVE DATE: July 1, 2017

§§ 1-13 — CONNECTICUT BROWNFIELD LAND BANKS*Overview*

The act establishes a process for certifying nonstock corporations as CBLBs. (Under Connecticut law, a corporation is nonprofit if no distribution may be made to its members, directors, or officers.) An organization seeking CBLB certification must apply to DECD, and once certified, may:

1. acquire, retain, and remediate brownfields and sell the remediated property for a municipality's benefit;
2. educate government officials, community leaders, economic development agencies, and nonprofit organizations on brownfield redevelopment best practices; and
3. engage in other activities the act authorizes.

Applying for and Maintaining Certification (§ 2)

A nonprofit organization applying for CBLB certification must apply on a form DECD prescribes and provide:

1. its certificate of incorporation and bylaws,
2. a list of its current officers and directors,
3. the proposed land banking agreement with one or more municipalities,
4. proof that it has the financial and technical capacity to fulfill the purposes of a CBLB,
5. its proposed business plan, and
6. any other information the DECD commissioner deems necessary.

In deciding whether to approve or reject an application, the commissioner must consider:

1. whether the applicant has the financial and technical capability to fulfill the purposes of a CBLB,
2. the relative economic conditions of the municipalities the organization proposes to serve,
3. the degree to which these municipalities support the organization,
4. the quality of the CBLB's business plan, and
5. any other criteria the commissioner establishes to fulfill the act's purposes.

If the commissioner approves the application, she must issue a certificate granting the organization all the rights, privileges, and immunities the act grants certified CBLBs.

Certified CBLBs must submit a report to the commissioner annually, by January 31, that describes their activities for the previous year, including:

1. the CBLB's updated business plan and a list of current officers and directors,
2. the CBLB's complete operating and financial statements,
3. copies of any land banking agreements the CBLB entered into during the preceding year, and
4. any other information the commissioner deems necessary.

The commissioner must review the report to determine if it includes the required information. If it does not, she must notify the CBLB's officers by mail that she will decertify the organization 120 days after the mailing date unless the CBLB submits a revised report that she determines provides the required information. The commissioner may extend the 120-day deadline by an additional 60 days.

If the commissioner decertifies the CBLB, it cannot enter into any new land banking agreements, but continues to (1) enjoy its rights and (2) be bound by its obligations, with respect to any property it acquired under a land banking agreement it executed before it was decertified. A decertified CBLB may reapply for certification.

CBLB Directors and Officers (§ 3)

A CBLB must exercise its power through a board of directors, which must consist of between five and 11 members, each with knowledge and expertise in the land bank's purposes and activities. The board must elect from its members the chairperson and any other officers it deems necessary. It must also adopt bylaws and procedures needed to perform its functions. It may establish committees and subcommittees needed to conduct its business.

Members serve without compensation, but are entitled to reimbursement for the actual and necessary expenses they incur while performing their official duties. The members are not personally liable for CBLB's loans, other financial obligations, or environmental liabilities, nor are they subject to creditors' rights, which apply only against the CBLB.

Elected and appointed state and local officers may serve on CBLB boards, and their appointment neither terminates nor impairs their public duties. State and municipal employees also may serve on a board.

Board members may organize and reorganize a CBLB's executive, administrative, clerical, and other departments, and can specify the duties, powers, and compensation of the CBLB's employees, agents, and consultants.

CBLB's Purposes (§ 4)

The act gives CBLBs broad contractual, financial, and development powers, but not the power to take property by eminent domain. A CBLB may:

1. enter into land banking agreements with municipalities to acquire, retain, remediate, and sell land and buildings in those municipalities on their behalf;
2. enter into contracts and agreements with a municipality under which the municipality provides staff services to the CBLB or the CBLB provides such services to the municipality;
3. obtain grants or borrow money from private lenders, municipalities, and state and federal agencies to fund its operations;
4. secure the payment of some or all of its debt by procuring insurance or state and federal guarantees and making the necessary premium payments;
5. acquire property by purchase contracts, lease purchase agreements, installment sales contracts, land contracts, and through foreclosure of municipal tax liens; and
6. do all things necessary to fulfill its purposes and comply with applicable laws.

The act complements the CBLB's property acquisition powers by allowing municipalities to transfer or convey land and buildings and interests in them to a CBLB. A municipality may set the terms and conditions for transferring or conveying the property or property interests and conduct the transfer or conveyance according to its procedures. The municipality may do these things regardless of any conflicting statute, special act, charter, or home rule ordinance.

Tax Exemption (§ 5)

Since CBLBs must exercise their powers to benefit state residents, specifically to increase their commerce, wealth, and prosperity, the act deems the exercise of these powers an essential public function. Consequently, it exempts CBLBs from paying state and local taxes and assessments on (1) the revenue or property they receive, acquire, transfer, or use and (2) any income derived from these sources.

Specified Land Acquisition and Disposition Powers (§ 6)

A CBLB may acquire only brownfields and adjacent or nearby property identified in the land banking agreement between it and the municipality where the property is located. It must hold this property in its own name regardless of the entity that transferred it. The CBLB must also maintain an inventory of all the real property it acquires and allow the public to review and inspect it.

The CBLB must adopt policies and procedures specifying the terms and conditions for acquiring real property or property interests. Those terms and conditions may allow for different types of compensation, including: (1) monetary payments; (2) secured financial obligations, covenants, or conditions related to the property's current or future use; (3) contractual commitments imposed on the party the property is transferred to; and (4) other forms the CBLB's directors determine are in the CBLB's best interest.

The CBLB may also dispose of property it acquires as its land banking agreements allow. It can convey, exchange, sell, transfer, lease as lessee, grant, release and demise, and pledge as collateral any and all interests in, on, or to the property as long as the municipality where the property is located approves the transaction, as specified in the land banking agreement.

§§ 7-13 – CBLB ACCESS TO BROWNFIELD REMEDIATION TOOLS AND INCENTIVES

The act allows CBLBs to access the same brownfield remediation tools and incentives that are available to municipalities.

Local Option Property Tax Abatement (§ 7)

The act allows a municipality to forgive all or a portion of the principal and interest due on delinquent property taxes for a property a CBLB acquires or plans to acquire in the municipality. The law already allows municipalities to forgive the delinquent taxes on a property for a party that intends to acquire, investigate, and remediate it according to state standards. (The law also allows municipalities to (1) abate the property taxes for up to seven years on a property whose owner agrees to remediate it according to state standards and (2) tax a remediated property for up to seven years based on its pre-remediation fair market value.)

Conducting Environmental Site Assessments (§ 8)

The law sets conditions under which a municipality, or a licensed environmental professional (LEP) it employs, may enter a property, without liability, to assess or investigate it. The act allows a CBLB or an LEP it employs to assess or investigate a property under the same conditions as a municipality if:

1. the land banking agreement requires the property to be investigated and assessed or
2. the property's owner and the municipality or CBLB enter into a voluntary agreement allowing the property's environmental condition to be investigated or assessed.

As with municipalities, the CBLB or its LEP is not protected from liability for gross negligence or intentional misconduct. The CBLB or the LEP must, like a municipality, give the property owner 45 days' notice before entering the property.

Department of Energy and Environmental Protection (DEEP) Liability Relief Program (§ 9)

The act allows CBLBs to participate in DEEP's liability relief program, which protects certain entities that remediate a brownfield from liability for contamination that occurred before they acquired the property. Under prior law, the program was open only to municipalities, economic development agencies, municipally formed nonprofit economic development corporations, and nonstock or limited liability companies that municipalities or these corporations form and control.

Transfer Act Exemptions (§§ 10 & 11)

Under the act, properties municipalities convey to CBLBs are exempt from the transfer act. The transfer act requires parties to a real estate transaction involving contaminated property to notify DEEP about the contamination and identify the party that will investigate and remediate it. The law already exempted property that municipalities (1) foreclosed on and subsequently conveyed, (2) remediated under DECD's municipal brownfield grant program (CGS § 32-376), or (3) acquired by eminent domain.

Additionally, the act also sets conditions that exempt from the transfer act a property that a CBLB remediates and subsequently transfers. The transfer is exempt if the property was remediated under a DEEP or DECD liability relief program, is compliant with that program when the transfer occurred, and was not used to generate hazardous waste after entering the program.

Remedial Action and Redevelopment Municipal Grant Program (§ 12)

The act makes CBLBs eligible for DECD remedial action and redevelopment grants, which were previously available only to municipalities and local economic development agencies. The grants are for investigating, assessing, and cleaning up contaminated properties.

Abandoned Brownfield Cleanup (ABC) Program (§ 13)

The ABC program exempts participants from investigating and remediating contamination that emanated from the property before they acquired it and limits their liability to the state or third parties for the contamination in such cases provided they did not cause or contribute to the contamination or negligently or recklessly exacerbate it.

The act allows CBLBs to ask the DECD commissioner to determine if a property is eligible for the program's benefits regardless of the property's current owner. CBLBs can therefore recommend property regardless of whether they own it. The act also exempts CBLBs and municipal economic development agencies from having to meet the program's responsible party criteria (i.e., the party that contaminated the property cannot be determined, no longer exists, or is unable to remediate it).

§ 14 – BROWNFIELD REMEDIATION AND REVITALIZATION PROGRAM

Liability Protection for Remediated Portions of a Property

The act makes it easier for developers to remediate and develop a brownfield in sections by allowing them to investigate and remediate one section of the brownfield at a time and receive the program's liability protection for that section instead of waiting until they remediate the entire brownfield, as prior law required.

To receive liability protection for a remediated section, a developer must submit to the DECD and DEEP commissioners the same documents they would submit if they had investigated and remediated the entire brownfield. That is, the developer must submit a report indicating that the section was (1) investigated and remediated according to state standards (i. e. , verification) or (2) investigated and remediated according to those standards except for contaminated groundwater, which is being remediated under a long-term remedy (i. e. , interim verification). In both cases, the remediation must address hazardous substances that extend out from the remediated section to the brownfield's boundaries.

Furthermore, the developer must have complied with the requirements for preparing, submitting, and implementing the statutorily required investigation plan and remediation schedule. Specifically, the developer must notify the DEEP commissioner that the following tasks were completed on time:

1. the entire property was investigated according to the prevailing standards and guidelines for conducting such investigations within two years after the developer paid the first installment of the program's application fee,
2. the remediation plan for the entire brownfield was submitted to the commissioner, and
3. remediation began within three years after paying the first installment.

Lastly, the developer must demonstrate to the commissioners' satisfaction that the entire property will be remediated on time.

Liability Protection for Lenders

The act extends the program's liability protections to lenders to whom a developer conveys or has conveyed a security interest in a property the developer is remediating or has remediated. A lender receives these protections if the lender:

1. was not cited for polluting the state's waters;
2. did not contaminate the property or create the source that did; and
3. is not (a) affiliated with any person that contaminated the property or (b) responsible for the contamination source through any direct or indirect familial relationship or any contractual, corporate, or financial relationship other than holding the security interest.

Off-Site Releases

The act specifies that developers remediating brownfields do not have to investigate and remediate any hazardous substance, including plumes, beyond the boundaries of the brownfield. Prior law only exempted them from investigating and remediating plumes, which are flows of contaminated groundwater that extend outward from a source.

Fee Changes

The act changes the fees that must be paid before the program's liability protections can be extended to a party that acquires a property (i. e., transferee) while it is being remediated. Under prior law, the transferee had to pay the same fee as the property's initial owner. Under the act, the transferee must pay a \$10,000 fee or the balance of any unpaid fee, whichever is greater.

LEP Verification

The act requires that the LEP a developer retains to supervise the brownfield's remediation state in the remedial action report that he or she supervised the remediation and prepared the verification or interim verification report in compliance with the professional ethics and code of conduct for LEPs, as specified in DEEP regulations (CGS § 22a-133v(c)).

DEEP Audit Deadline

The act adjusts the deadline for the DEEP commissioner to audit a verification or interim verification report. If the commissioner decides to audit the verification, the law gives him up to 180 days to complete it. But if the commissioner requests additional information and the developer fails to provide it within 14 days of the commissioner's request, the 180-day period stops until the developer provides the information. If the developer fails to provide the requested information within 60 days of the commissioner's request, the commissioner may restart the audit. In these cases, the act extends the 180-day deadline by the number of days during which the audit was suspended.

Application Requirement

By law, a person who wants to have another person or property designated as eligible for the program's liability protections must apply to the DECD commissioner and provide various documents, including a title search, an environmental site assessment, and a current property inspection report. The act requires the applicant to provide the property inspection report only if the commissioner requests it.

AN ACT CONCERNING ECONOMIC DEVELOPMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT, THE MINORITY BUSINESS INITIATIVE ADVISORY BOARD, THE STATE ECONOMIC STRATEGIC PLAN AND THE EVALUATION OF BUSINESS ASSISTANCE AND INCENTIVE PROGRAMS

SUMMARY: This act requires the Appropriations; Commerce; and Finance, Revenue and Bonding committees to hold hearings periodically on the economic impact of state economic development programs. The hearings are triggered when the Department of Economic and Community Development (DECD) and the state auditors submit certain reports to the committees (i. e., review committees).

The reports are DECD's statutorily required annual report to the legislature and a new report assessing the analysis that the auditors must prepare each time they audit DECD.

The act requires DECD to analyze the First Five Plus program's net return to the state and include that analysis in its biannual report on the program, which, by law, it must submit to the Commerce and Finance, Revenue and Bonding committees. The act also requires the committees to hold a hearing exclusively on the program, which combines financing and tax incentives under various programs into a comprehensive assistance package for business development projects that meet specified investment and job creation targets.

The act establishes a nine-member Minority Business Initiative Advisory Board to (1) advise the DECD commissioner about how to assist minority-owned businesses and (2) administer economic opportunity programs. It also requires DECD to allocate, in FYs 18 and 19, Small Business Express Program (EXP) funds to the board for its purposes.

The act allows the DECD commissioner to collaborate with Connecticut-based banks and a banking industry association on increasing financial assistance for small businesses through EXP, including selling EXP loans to collaborating private lenders. It also specifies that EXP borrowers can use working capital loans to pay rents.

Lastly, the act reduces the required content of DECD's four-year strategic economic development plan, changes the mix of information and analyses required in DECD's annual report, and eliminates several reports on specified issues DECD had to submit to the governor and legislature.

EFFECTIVE DATE: October 1, 2017, except the changes requiring a legislative hearing on the First Five Plus program take effect July 1, 2017, and those regarding the (1) Minority Business Initiative Advisory Board and (2) DECD's annual report, strategic plan, and three-year tax credit report take effect upon passage.

§§ 4, 8 & 10 – DECD ANNUAL REPORTING

The legislative hearings the act mandates are tied to changes it makes in the content of DECD's comprehensive report to the legislature, which is due February 1 annually. The act changes the mix of data and analyses DECD must include in the report, eliminating many types of previously required data and analyses but also requiring more data and analyses about the impact of all economic development programs, not just those DECD administers.

As under prior law, the act specifies the topics DECD must address in the annual report and the data and analyses DECD must include under each topic.

Content Eliminated

The kind of data and analyses DECD must include in the report varies by topic. The law prescribes the annual report's structure and content, specifying the general topics it must cover and the data and analyses that must be included under each topic. The act requires the report to address many of the same topics that were required under prior law, but in many cases, without including the kind of data and analyses prior law required. Among other things, the act eliminates the requirement that the report include data about specific businesses, municipalities, and projects that received DECD funding and instead requires the report to identify the website where this information can be found. The act requires the report to include a reference to this data and the website address.

Table 1 describes the information the act eliminates for each reporting topic.

Table 1: Summary of Eliminated Reporting Requirements

Topic	Eliminated Requirements
Description and Assessment of State's Economy for the Reporting Period	Retains topic but eliminates specified factors for describing and assessing the economy, such as a summary of the state's competitiveness as a place to do business
Statement of DECD's Economic and Community Development Objectives, Program Success Measures, and Standards for Providing Assistance	Eliminates topic
Analysis of DECD's Economic Development Portfolio (i.e., businesses awarded DECD assistance)	Retains topic but eliminates: <ul style="list-style-type: none"> Names, addresses, and locations of DECD funded business development projects (but requires the report to identify the DECD website where this information is available) Data on jobs created, anticipated wage rates, and health plan benefits Portfolio analysis of average and median wages and wage ranges Wage analysis by municipality (requires wage analysis by industry instead) Proportion of total assistance granted to "high performance work organizations" Impact on job levels, gross state product and productivity, personal income, and property values
Analysis of Community Development Portfolio (i.e., municipalities and nonprofit entities awarded DECD assistance)	Retains topic but eliminates: <ul style="list-style-type: none"> Names, addresses, and locations of DECD-funded community development projects Community development investments, and the dollars they leveraged, by municipality Impact on job levels, gross state product and productivity, personal income, and property values
Marketing, Business Recruitment, and Minority and Small Business Assistance	Eliminates topic and: <ul style="list-style-type: none"> Description of efforts to market the state and assist small and minority businesses Summary of business recruitment strategies

Economic Clusters	Eliminates topic and identification of existing economic clusters, the formation of new ones, and efforts to encourage their growth, including bond funds DECD spent on each cluster
Brownfields, Special Contaminated Property Remediation and Insurance Fund (SCPRI), and Dry Cleaning Grant Program	Eliminates topic and summaries and data about the projects funded under these programs
Enterprise Zones	Eliminates topic and specific information about the program, including an assessment of the zones' performance
Biodiesel Producer Incentive Account Program	Eliminates topic and assessment of the program's performance
Fuel Diversification Program	Eliminates topic and assessment of the program's performance
Connecticut Credit Consortium	Eliminates topic and summary of lending activity
Permit Ombudsman	Eliminates topic and data on each applicant that received the permit ombudsman's assistance (and instead requires summary of assistance given to brownfield projects)

Consolidated Requirements

The act requires DECD to include in the annual report information it previously reported separately about specific programs and reduces other reporting requirements.

Instead of submitting a separate report about film industry tax credits, DECD must report about them in the annual report. In doing so, the act requires DECD to summarize its efforts concerning media and motion picture production in Connecticut and indicate the total (1) amount of credits it issued during the reporting period and (2) production costs and expenses credit recipients incurred in Connecticut.

The act similarly consolidates the requirements for reporting on the dry cleaning remediation program in the annual report statute and requires DECD to summarize only the program's activities for the reporting period. Under prior law, both the statute governing the program and the annual report statute required DECD to summarize the program's activities, provide specified data on grant applications and awards, and recommend whether the dry cleaning surcharge and grant program should continue.

New Content

Although the act eliminates many reporting requirements, it also adds new ones. It requires DECD to include (1) an overview of its tourism, arts, and historic preservation activities and (2) an economic impact analysis of each state economic development business assistance or incentive program, including those administered by other agencies that had 10 or more recipients or awarded over \$1 million in assistance during the prior fiscal year. Examples of economic development programs administered by other agencies include the Labor Department's Subsidized Training and Employment Program and Connecticut Innovations' Angel Investor Tax Credit.

The analysis of each program must include:

1. an analysis of the program's impact on the state's economy, including, if available, the number of new jobs it created and its estimated impact on the state's annual revenues;
2. an assessment of whether the program is meeting its statutory and programmatic goals and, if possible, the obstacles preventing it from meeting those goals;

3. recommendations about whether the program should be continued, modified, or repealed and the reasons for each recommendation;
4. recommendations for additional data that must be collected to improve the evaluation; and
5. a description of the methodologies used and the assumptions made to analyze the program.

For the analyses of its programs, DECD must also include how much it cost the state to borrow funds to finance them.

Report Distribution

The act requires DECD to submit the report annually, by February 1 to the governor, the auditors, and the review committees. Under prior law, it had to submit the report to the governor and the entire legislature annually by that date.

§§ 4 & 5 – EXPANDED LEGISLATIVE OVERSIGHT

The information and analyses DECD must include in its annual report, along with the requirement that it submit the report to the auditors, provide the basis for the legislative hearings the act requires. The hearings are triggered when the review committees receive DECD's annual report or the auditors' report described below.

Submission of Annual Report to Review Committees

Beginning March 1, 2018, the act requires the review committees to hold one or more separate or joint annual hearings on DECD's report, focusing on the analyses of DECD's community development projects and DECD's efforts to promote international trade. (This appears to be an incorrect reference with respect to DECD's efforts to promote international trade because the act requires only a summary of those efforts.)

Auditors' Triggered Legislative Reviews

The legislative hearings are also triggered when the committees receive an auditors' report about economic development programs, which must be based on the information in DECD's annual report.

Business Assistance and Incentive Programs. The auditors must assess the performance of business assistance and incentive programs (e. g., business tax credits, abatements, grants, loans, or other economic development assistance) and report the results to the review committees. The act refers to these assessments as “performance audits” and requires the auditors to conduct them according to generally accepted government auditing standards or other methods they deem appropriate. The auditors must prepare these performance audits whenever they audit DECD, either as part of the regularly scheduled audit or as a stand-alone audit.

DECD Annual Report Evaluation. Each time the auditors conduct a regularly scheduled audit of DECD, they must also evaluate the accuracy of those annual reports DECD submitted to the review committees since the last DECD audit. The evaluation must:

1. determine if there is evidence to support the accuracy of the report's data,
2. evaluate whether the incentive programs are being managed and operated so as to make it easy for taxpayers to comply with their requirements,
3. recommend how the agencies can improve their programs' administrative efficiency and effectiveness, and
4. evaluate whether the reports provide all the information the law requires.

The act specifically requires the evaluation to include the analyses of DECD's community development programs and international trade promotion efforts. (But, as noted above, this appears to be an incorrect reference with respect to the department's international trade promotion efforts.)

Auditor Reports and Legislative Hearings. The auditors must submit a report on each performance audit and annual report evaluation they complete to the governor, Office of Policy and Management (OPM) secretary, and review committees. They may submit these reports separately or as part of a statutorily required audit report. The act requires the review committees to hold at least one separate or joint hearing on these reports.

§ 1 – FIRST FIVE PLUS PROGRAM

The act expands legislative oversight of the First Five Plus Program by requiring DECD to provide more information in its biannual report to the Commerce and Finance, Revenue and Bonding committees and directing the committees to hold a joint hearing on the report.

Under the act, DECD must include in each biannual report an analysis of the net rate of return to the state for all First Five Plus-funded projects, taking into account the value of tax credits and forgiven loans. The reports must also include recommendations as to whether the legislature should modify or continue the program based on the net rate of return analysis and the other information the report provides, such as number of jobs created.

The first report with the net rate of return analysis is due September 1, 2017. The other reports are due January 1, 2018, September 1, 2018, January 1, 2019, and September 1, 2019. The program terminates June 30, 2019, unless the legislature extends or eliminates this sunset date.

The act requires the Commerce and Finance, Revenue and Bonding committees to hold a joint hearing on the most recent report by February 1, 2019.

§§ 6 & 7 – MINORITY BUSINESS INITIATIVE ADVISORY BOARD

Purpose

The act establishes a nine-member Minority Business Initiative Advisory Board within DECD. The board must (1) advise the commissioner on how to make technical assistance more available to minority-owned businesses and increase their access to capital and state contracts and (2) develop and administer financial literacy, minority employment, and entrepreneurship programs, which may include internship and externship, apprenticeship, entrepreneurship, and job-creation subsidy programs.

Composition

The board consists of the DECD commissioner or her designee; four representatives whom the commissioner appoints in consultation with the minority business community; and one member each appointed by the House speaker, Senate president pro tempore, and House and Senate minority leaders. The commissioner's appointees must meet at least one of the following criteria:

1. have skill, knowledge, and experience in business and business development, procurement, and state and federal contracting;
2. have skill, knowledge, and experience in developing minority-owned businesses;

3. be a member or hold an office in a community organization that serves minority populations with economic development, including entrepreneurial development, as part of its mission;
4. have business development education and training expertise;
5. represent a business or organization that primarily engages in business development; or
6. own a business.

Appointments

The commissioner and the legislative leaders must make their appointments by September 1, 2017. The members serve two-year terms, up to three terms consecutively. Each member whose term is expiring must continue to serve until the member's successor is appointed. The appointing authorities must fill any vacancies. Members are not compensated for their services.

Meetings

The commissioner must schedule the board's first meeting by September 30, 2017. The members must elect a chairperson, who may call board meetings as he or she deems necessary.

Funding

The act requires the commissioner to allocate funds from the EXP account to the board to fund its duties. She must allocate \$2 million from the account in FY 18 and \$1 million in FY 19. The board may use up to 5% of each year's allocation to cover the administrative costs it incurs in performing its duties.

§ 9 – ECONOMIC DEVELOPMENT STRATEGIC PLAN

Overview of Strategic Plan Structure and Content

The law requires DECD to prepare a four-year economic development strategic plan that, among other things, assesses the state's economic growth, sets goals for increasing it, and recommends how those goals can be achieved. The law also specifies the topics DECD must address in the plan and, for each topic, the data and analyses it must include. DECD must incorporate the act's changes in the plan's content beginning with the next four-year plan, which is due July 1, 2019.

Eliminated Requirements

The act eliminates certain requirements for specific data and analyses, thus giving the commissioner more discretion over how she addresses each strategic plan topic. It also eliminates requirements that the plan include evaluations of specified programs.

Table 2 identifies each strategic plan topic and describes the data, analyses, and program evaluations the act eliminates with respect to that topic.

Table 2: Summary of Eliminated Strategic Plan Information

Topic	Eliminated Requirements
Review and Evaluation of Connecticut's Economy	Specific conditions to be included in the review and evaluation, such as demographic, housing, and labor market analyses
Review and Analysis of Factors, Issues, and Forces Affecting Economic Development and Responsible Growth	Specific factors, issues, and forces to be included in the review and analysis, including transportation, health care delivery and cost, and capital availability
Review and Evaluation of the State's Economic Development Structure	Review and analysis of past and current economic, community, and housing development structures, whether they met their statutory responsibilities, and

	an assessment of how they affected economic development and responsible growth
Vision Statement for the State at Specified Future Intervals	Specified intervals for vision statement
Recommendations for Achieving Strategic Plan Goals	Plan implementation cost estimates and projected returns on investment
Review and Evaluation of Specified Economic Development Programs	Review and evaluation of the following programs: <ul style="list-style-type: none"> • Urban Jobs • Enterprise Zones • Railroad Depot Zones • Manufacturing Plants • Entertainment Districts • Enterprise Corridor Zones • R&D Matching Grant Program

§§ 2 & 3 – EXP-PRIVATE LENDER COLLABORATION

EXP provides loans and grants to small businesses under an expedited application process. The act allows the DECD commissioner to establish a new EXP component and allocate up to 10% of EXP funds to cover the component's administrative costs. It allows DECD to establish the component in consultation with Connecticut-based banks and a banking industry association. Such banks include out-of-state banks that have branches in Connecticut for taking deposits. The component may have lending limits and terms, matching fund requirements, and other conditions different from the ones for EXP's other components.

DECD must operate the component in collaboration with the Connecticut-based banks. The component may provide loan guarantees and short-term loans that businesses need to secure private financing (i.e., bridge loans) and other forms of financial assistance. Borrowers may use the financing available under this program only to purchase machinery and equipment, construct facilities or make leasehold improvements, cover relocation and working capital costs, pay rents, or cover other business-related expenses the commissioner authorizes.

The component may also include an arrangement under which DECD may transfer EXP loans to private lenders and, in the process, replenish the program's loan funds.

The act requires the commissioner, by February 1, 2018, to include in DECD's annual report (1) a description of the new component and (2) the number of Connecticut-based banks she consulted with and the extent of the consultation.

§§ 11-14 – ELIMINATED REPORTS

The act eliminates four DECD reporting requirements unrelated to its annual comprehensive report to the legislature. It eliminates the report DECD had to annually submit to the (1) Labor and Higher Education and Employment Advancement committees on how it collaborates with the technical high school system to address businesses' workforce training needs (CGS § 10-95h) and (2) governor and legislature on the extent to which the state and its regions depend on prime defense contracts (CGS § 32-58).

The act eliminates the requirement that DECD submit a separate, triennial report on state programs that provide tax incentives to businesses, including those administered by other agencies. Under prior law, DECD submitted this report to the governor, OPM, and certain legislative committees. Under the act, DECD must include information about all of these programs in its expanded annual report (CGS § 32-1r).

The act also eliminates the requirement that the governor annually report to the legislature on job conditions and how to improve them (CGS § 31-362).

BACKGROUND

Related Act

PA 17-226 also requires DECD to include economic impact analyses of all economic development programs in its annual report, requires the auditors to assess these analyses each time they audit DECD and report their findings to the review committees, and requires the committees to hold hearings each time they receive DECD's and the auditors' reports.

Public Act# 17-226

HB# 7316

AN ACT CONCERNING EVALUATION OF BUSINESS ASSISTANCE AND INCENTIVE PROGRAMS

SUMMARY: This act requires certain legislative committees to hold public hearings on economic development programs periodically. The hearings are triggered when the Department of Economic and Community Development (DECD) and the state auditors submit certain reports to the Appropriations; Commerce; and Finance, Revenue and Bonding committees (i.e., the review committees).

The reports are (1) DECD's statutorily required annual report to the legislature, which, under the act, must include an economic impact analysis of all state economic development programs, not just those DECD administers, and (2) a new report assessing this analysis that the auditors must prepare each time they audit DECD.

The act also eliminates the requirement that DECD submit a separate, triennial report on state programs that provide tax incentives to businesses, including those administered by other agencies to the governor, the Office of Policy and Management (OPM) secretary, and the review committees (CGS § 32-1r). Under the act, DECD must include information about all of these programs in its expanded annual report.

EFFECTIVE DATE: Upon passage

DECD ANNUAL REPORT

The act expands the kind of information DECD must include in its annual report, requires DECD to submit the report to the auditors and the review committees (as well as the governor), and makes the report the basis for required legislative public hearings.

Content

Under the act, DECD must include in the report an economic impact analysis of each state economic development program that provides financial assistance or tax incentives, including other agencies' programs that had 10 or more recipients or awarded over \$1 million in assistance during the previous fiscal year. (Examples of such programs include the Labor Department's Subsidized Training and Employment Program and Connecticut Innovations' Angel Investor Tax Credit.)

The scope of the economic impact analysis varies depending on whether DECD or another agency administers the program. The analyses for all programs must include:

1. an assessment of whether the programs are meeting their statutory and programmatic goals and, if possible, the obstacles preventing them from meeting those goals;
2. recommendations about whether these programs should be continued, modified, or repealed and the reasons for each recommendation;
3. recommendations for additional data that must be collected to improve evaluations; and
4. a description of the methodologies used and the assumptions made to analyze the programs.

For the analyses of its programs, DECD must also include, if available, the number of new jobs the program created, how much it cost the state to borrow funds to finance the program, and the estimated impact the program had on the state's annual revenues.

Prior law required an economic impact analysis in the annual report but limited it to DECD's programs. It also specified the variables DECD had to use to determine the impact. PA 17-219 eliminates several of those variables and makes other changes to the annual report's content (see BACKGROUND).

Distribution

Under prior law, DECD had to submit the report to the governor and the legislature by February 1 annually. The act requires DECD to submit it by that date to the governor, the auditors, and the review committees, but not the entire legislature.

Legislative Hearings

The act requires the review committees, by March 1 annually, to hold at least one separate or joint public hearing on the economic impact analyses included in the annual report.

AUDITORS

Under the act, the auditors must audit the financial assistance and tax incentive programs' performance (i.e., performance audits) and the annual report's accuracy each time they audit DECD.

Performance Audits

The performance audits must examine the extent to which the tax incentive programs are achieving their statutory purposes. The auditors must conduct these audits as part of a regular audit, but they may also conduct them at their discretion as a separate audit. They must conduct them according to generally accepted government auditing standards or other methods they deem appropriate.

DECD Annual Report Evaluation

As part of each regular audit, the auditors must also evaluate the accuracy of the annual reports DECD completed since their last DECD audit and the economic impact analyses included in them. The evaluation must:

1. determine if there is evidence to support the accuracy of the data in the report,
2. evaluate whether the tax incentive programs are being managed and operated so as to make it easy for taxpayers to comply with their requirements,
3. recommend how the agencies can improve their programs' administrative efficiency and effectiveness, and
4. evaluate whether the reports provide all the information the statute requires (CGS § 32-1m).

Auditor Reports and Legislative Hearings

The auditors must submit a report on each performance audit and annual report evaluation to the governor, OPM secretary, and review committees. They may submit these reports separately or as part of a statutorily required audit report.

The act requires the review committees to hold at least one separate or joint public hearing on each of these audit reports.

BACKGROUND

Related Act

Among other things, PA 17-219 requires legislative hearings of economic development programs under the same procedure as the act. Although PA 17-219 requires DECD to include in the annual report the same economic impact analysis as the act, it also reduces the kind of information DECD must include in the report.

Public Act# 17-242

SB# 963

AN ACT CONCERNING EDUCATIONAL AND ENVIRONMENTAL ISSUES RELATING TO MANUFACTURING

SUMMARY: This act requires the Department of Energy and Environmental Protection (DEEP) commissioner to issue a notice of intent to adopt hazardous waste regulations consistent with recently adopted federal Environmental Protection Agency (EPA) regulations. Current DEEP hazardous waste regulations largely align with EPA regulations that took effect in 2001.

The act also makes changes related to manufacturing workforce development. Specifically, it requires the (1) Board of Regents for Higher Education (BOR) to develop a plan to increase mechatronics course offerings and (2) Commerce Committee chairpersons to appoint and convene a working group to develop a program to train inmates in correctional facilities for manufacturing careers.

EFFECTIVE DATE: Upon passage, except that the provision on hazardous waste regulations is effective October 1, 2017.

§ 1 – HAZARDOUS WASTE REGULATIONS

By July 1, 2018, the act requires the DEEP commissioner to issue a notice of intent to adopt regulations that are consistent, except for any modifications he deems necessary, with the EPA's Hazardous Waste Generator Improvements Rule as published in the Federal Register of November 28, 2016. Under existing law and the act, if the commissioner adopts regulations on activities for which the federal government has adopted standards or procedures, provisions that differ from the federal regulations must be clearly distinguishable either in the state regulations or in supporting documentation. DEEP must also explain why the provisions differ and make the explanation publicly available when the notice of intent is published (CGS § 22a-6(h)).

Under the act, if the commissioner has not issued the required notice before July 1, 2018, he must submit a report to the Commerce Committee by August 1, 2018. The report must include (1) an updated timeframe for adopting the regulations and (2) a summary of any public comments DEEP received during the process to issue the notice of intent.

A hazardous waste generator is any entity that produces, usually through an industrial process, waste deemed hazardous under federal or state regulations. Federal and state regulations establish hazardous waste management requirements for three categories of generators that vary based on the amount of waste generated and stored (conditionally exempt small quantity (now called “very small quantity generators” in the EPA regulations), small quantity, and large quantity generators, see BACKGROUND).

§ 2 – ONLINE MECHATRONICS COURSES

By January 1, 2018, the act requires the BOR to (1) develop a plan to offer online mechatronics courses at Central Connecticut State University and the community colleges and (2) submit the plan and any recommendations for related legislation to the Commerce and Higher Education committees. Mechatronics combines various engineering fields, including mechanical, electronics, controls, and computer. Mechatronics professionals design and repair robotics and computer-aided manufacturing equipment, among other things.

§ 3 – WORKING GROUP ON MANUFACTURING TRAINING FOR INMATES

The act requires the Commerce Committee chairpersons to appoint and convene a working group to develop a program to train inmates in the custody of the correction commissioner for manufacturing jobs.

Appointments must be made by August 10, 2017 and must include at least:

1. a college or university manufacturing instructor;
2. a person experienced in providing job training to inmates;
3. a technical high school manufacturing teacher;
4. a manufacturers' association representative;
5. an owner or manager of a small manufacturing company (i.e., fewer than 100 employees);
6. an owner or manager of a large manufacturing company (i.e., more than 100 employees);
7. a representative of a private educational institution with a manufacturing program; and
8. the economic and community development, labor, and correction commissioners, or their designees.

The Commerce Committee chairpersons must select the working group's chairperson, who must schedule the group's first meeting, to be held by September 9, 2017.

The act requires the group to report its legislative recommendations on implementing the program to the Commerce, Judiciary, and Labor committees by January 15, 2018. The working group ends on that date or when it submits its report, whichever is later.

BACKGROUND

Current State Regulations and New Federal Rules

Hazardous waste generator regulations govern, among other things, (1) hazardous waste accumulation limits and storage methods; (2) waste treatment, disposal, and transport; (3) emergency preparation and personnel training; and (4) reporting and recordkeeping. Current state hazardous waste regulations generally incorporate by reference EPA rules that took effect in 2001 but are more stringent in some areas.

Among other things, the new federal rules:

1. provide more flexibility to conditionally exempt small quantity generators by allowing them to ship waste to a large quantity generator,
2. allow small quantity generators that generate an atypical amount of waste in a given month because of a non-routine event to maintain their usual status and avoid the requirements associated with higher generator status,
3. update emergency response and contingency planning provisions, and
4. were reorganized and rewritten for purposes of clarity.

Public Act# 17-244

SB# 1051

AN ACT CONCERNING CTNEXT PLANNING GRANTS-IN-AID AND INNOVATION PLACE DESIGNATION APPLICATIONS AND INVEST CT FUND TAX CREDIT TRANSFERABILITY

SUMMARY: This act allows CTNext, a Connecticut Innovations (CI) subsidiary, to accept additional rounds of applications under the innovation place program for planning grants and innovation place designations. It also allows insurance companies that hold Invest CT tax credits to sell or otherwise transfer these credits to any taxpayer, rather than just to their affiliates, and makes a conforming change.

EFFECTIVE DATE: July 1, 2017

§ 1 – INNOVATION PLACE APPLICATIONS

Prior law required CTNext to accept one round of applications for planning grants and innovation place designation, which it already did. The act allows CTNext to accept additional rounds of these applications, on a schedule and according to deadlines it determines. For planning grants, the act specifies that CTNext may only accept applications until the money reserved for the grants is exhausted.

PA 16-3, May Special Session, established the innovation place program to foster innovation and entrepreneurship in compact, mixed-use geographic areas with startups, growth-stage businesses, anchor institutions, and access to public transit. Entities such as corporations, municipalities, and higher education institutions may submit applications for the designation of an innovation place.

§§ 2 & 3 – INVEST CT TAX CREDITS

Under prior law, insurance companies that earned tax credits for investing in Invest CT funds (i.e., insurance reinvestment funds) could transfer the credits only to their affiliates. The act instead allows the companies to sell or otherwise transfer all or parts of these credits to any taxpayer or taxpayers. The act requires the transferee to claim the credits in the transferee's income year in which the transferee bought, was assigned, or was otherwise transferred the credit.

By law, Invest CT credits may be claimed against the insurance premiums tax or the surplus lines brokers tax.

Special Act# 17-2

SB# 962

AN ACT CONCERNING THE DEVELOPMENT OF EVALUATIVE METRICS FOR BIOSCIENCE INVESTMENTS IN THE STATE

Section 1. (*Effective from passage*) Connecticut Innovations, Incorporated shall contract with a private vendor to develop, not later than January 1, 2018, a set of metrics to evaluate the relationship between the state's investments in bioscience and the economic outcomes resulting from such investments, including, but not limited to, increased employment and any multiplier effects. Not later than thirty days after the development of such metrics is completed, Connecticut Innovations, Incorporated shall, in accordance with the provisions of section 11-4a of the general statutes, submit a report on the metrics developed pursuant to this section to the joint standing committee of the General Assembly having cognizance of matters relating to commerce.

Approved June 9, 2017

Special Act# 17-16

SB# 1056

AN ACT ESTABLISHING A WORKING GROUP TO DEVELOP A PLAN TO FOSTER THE MICROBIOME SECTOR IN THE STATE

Section 1. (*Effective from passage*) (a) There is established a working group to study and develop legislative and programmatic initiatives and a roadmap to foster the microbiome sector in the state and establish the state as a leader in the development of new microbiome-based diagnostics and treatments. The working group shall seek to cultivate (1) an industry cluster of companies focused on medical applications of microbiome-based products and services, and (2) working relationships to determine programs, networks and opportunities that are the most attractive and necessary to such companies to nurture their growth in the state.

(b) The working group shall consist of (1) the Commissioners of Economic and Community Development, Public Health and Revenue Services, or their designees, (2) the chairperson of the CTNext board of directors or the chairperson's designee, (3) the president of The University of

Connecticut or the president's designee, (4) the dean of The University of Connecticut School of Medicine or the dean's designee, (5) the president of the Board of Regents for Higher Education or the president's designee, and (6) the following, to be appointed by the Governor: (A) One representative of an independent institution of higher education in the state; (B) one representative of an independent medical school in the state; (C) one representative from Yale University or Yale University School of Medicine; (D) two representatives of bioscience companies located in the state and in business for five years or more; (E) two representatives of bioscience companies located in the state and in business for less than five years; (F) one representative of a venture capital firm located in the state; and (G) one individual who represents hospitals in the state. The working group may consult with industry stakeholders and representatives of microbiome companies, representatives of educational and research institutions that are focused on the microbiome sector, representatives of the medical field who have expertise in the medical applications of microbiome-based products and services and any other individuals or representatives of fields the working group deems necessary or appropriate to inform it on the microbiome sector.

(c) The working group shall investigate, analyze and develop initiatives that include, but need not be limited to, the following:

(1) Designating a state agency or quasi-public agency to establish and lead a program to attract and retain companies that are developing microbiome-based products and services. Such agency shall coordinate efforts across all economic development agencies and sectors in the state;

(2) Identifying new and existing funds to provide financing to start-up microbiome companies and a research and development fund for early stage research projects that are likely to lead to new and improved microbiome-based products and services, develop strategies to publicize the availability of such funds and establish an efficient process for applying for such funds;

(3) Reviewing state tax policy to develop a tax incentive program to lower the tax liability of established microbiome companies that relocate to or establish new lines of business in the state and to enhance the state's competitiveness within the northeastern states;

(4) Developing support services and networks for microbiome companies, including, but not limited to, access to (A) sequencing, analytics and other scientific services, and (B) management, legal, accounting and other professional services;

(5) Investing in high-quality, affordable laboratory and production space located near key partners and collaborators;

(6) Building linkages to private capital firms in the state with a strong interest in investing in the microbiome science field;

(7) Identifying companies focused on microbiome science that are in early stage development and develop tools and financial incentives, including, but not limited to, sponsoring an annual competition for start-up microbiome companies and early stage research projects to recruit such companies to locate in or pursue such projects in the state;

(8) Creating a marketing and outreach plan to inform the microbiome sector of the advantages of locating in, relocating to or establishing new lines of business in the state; and

(9) Reviewing relevant state laws and regulations and make recommendations for legislative and programmatic changes to reduce or eliminate obsolete, unnecessary or overly burdensome regulatory hurdles to research, development and commercial activities in the microbiome sector.

(d) Not later than January 1, 2018, the working group shall submit a report, in accordance with section 11-4a of the general statutes, of its plan for the initiatives developed pursuant to subsection (c) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, commerce and public health. The report shall include (1) recommendations for legislative and programmatic changes to accomplish such plan, (2) for each initiative developed pursuant to subsection (c) of this section, a proposed budget, listing options for full, medium and low funding levels, and (3) for each initiative developed pursuant to subsection (c) of this section, recommended measureable and achievable goals and a proposed timetable for reaching such goals.

(e) Not later than February 1, 2018, the working group shall make a presentation to the General Assembly and the Governor of its report under subsection (d) of this section.

Approved July 7, 2017

Special Act# 17-18**HB# 6749**

AN ACT CONCERNING A WORKING GROUP ON A PUBLIC-PRIVATE MARKETING PARTNERSHIP TO RECRUIT BUSINESSES TO CONNECTICUT

Section 1. (Effective from passage) (a) The chairpersons and ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to commerce shall appoint and convene a working group to examine and make recommendations regarding:

(1) The development of a comprehensive, unified and proactive marketing plan to attract businesses to the state;

(2) Methods to improve the state's overall business marketing efforts in order to recruit and retain businesses in the state, increase job creation, encourage entrepreneurship, and make businesses in other regions aware of the benefits and incentives for new businesses offered by the state;

(3) Methods to increase the visibility of Connecticut as a globally competitive business location through proactive international marketing efforts and enhance the potential economic and employment benefits that may result from the development of such marketing efforts; and

(4) The leveraging of private sector expertise, resources and funds to bolster the state's marketing efforts.

(b) Appointments to the working group shall include, but need not be limited to, representatives from the joint standing committee of the General Assembly having cognizance of matters relating to commerce, the Commission on Economic Competitiveness, the Connecticut Economic Resource Center, chambers of commerce, traditional and new media private sector marketing firms, the banking and private equity industries, public and private institutions of higher education and high growth employment sectors, which may include, but need not be limited to, health care, bioscience, insurance, financial services, advanced manufacturing, digital media and green technology. All

appointments to the working group shall be made not later than thirty days after the effective date of this section.

(c) The chairpersons and ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to commerce shall select the chairperson of the working group. The chairperson of the working group shall schedule the first meeting of the working group, which shall be held not later than sixty days after the effective date of this section. The working group shall meet at least quarterly thereafter, until it submits its report pursuant to subsection (d) of this section.

(d) Not later than January 15, 2018, the working group shall submit a report on its findings and recommendations pursuant to subsection (a) of this section to the joint standing committee of the General Assembly having cognizance of matters relating to commerce, in accordance with the provisions of section 11-4a of the general statutes. The working group shall terminate on the date that it submits such report or January 15, 2018, whichever is later.

Approved July 10, 2017

Special Act# 17-20**SB# 959**

AN ACT CONCERNING AN INVENTORY OF THE STATE'S BIOSCIENCE EDUCATION PIPELINE

Section 1. (Effective from passage) (a) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to commerce shall appoint and convene a working group to conduct an inventory of the educational resources available at public and private institutions of higher education in the state to prepare students for careers in the bioscience field and make legislative recommendations to improve and increase the availability of such resources.

(b) Appointments to the working group shall include, but need not be limited to, representatives from the joint standing committee of the General Assembly having cognizance of matters relating to commerce, the Department of Economic and Community Development, Connecticut Innovations, Incorporated, the Board of Regents for Higher Education, the regional community-technical college system, The University of Connecticut, a private institution of higher education, and a bioscience industry association. All appointments to the working group shall be made not later than thirty days after the effective date of this section.

(c) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to commerce shall select the chairperson of the working group. The chairperson of the working group shall schedule the first meeting of the working group, which shall be held not later than sixty days after the effective date of this section.

(d) Notwithstanding the provisions of section 2-15 of the general statutes or any other provision of the general statutes, no member of the working group shall receive mileage reimbursement or a transportation allowance for traveling to a meeting of the working group.

(e) Not later than January 15, 2018, the working group shall submit a report on the inventory and recommendations pursuant to subsection (a) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and higher education, in

accordance with the provisions of section 11-4a of the general statutes. The working group shall terminate on the date that it submits such report or January 15, 2018, whichever is later.

Approved July 10, 2017

Special Act# 17-22**SB# 308**

AN ACT CONCERNING THE PARTICIPATION OF PRIMARY CARE PHYSICIANS IN THE SMALL BUSINESS EXPRESS PROGRAM

Section 1. (Effective from passage) Not later than February 1, 2018, the Commissioner of Economic and Community Development, in consultation with the Connecticut State Medical Society, shall review the application process for the Small Business Express program, established under section 32-7g of the general statutes, to ensure that said program facilitates the participation of physicians and physician's offices in the program and, if necessary, modify such application process to facilitate and reduce unnecessary barriers to physicians' and physician's offices' participation in the program.

Approved July 11, 2017

Public Act# 17-2**SB# 1502**

AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2019, MAKING APPROPRIATIONS THEREFOR, AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND IMPLEMENTING PROVISIONS OF THE BUDGET

Section 1. (*Effective from passage*) The following sums are appropriated from the GENERAL FUND for the annual periods indicated for the purposes described.

DEPT. OF ECONOMIC & COMMUNITY DEVELOPMENT	2017-2018	2018-2019
Personal Services	7,145,317	7,145,317
Other Expenses	527,335	527,335
Statewide Marketing	6,435,000	
Hartford Urban Arts Grant	242,371	
New Britain Arts Council	39,380	
Main Street Initiatives	100,000	
Office of Military Affairs	187,575	187,575
CCAT-CT Manufacturing Supply Chain	497,082	
Capital Region Development Authority	6,261,621	6,299,121
Neighborhood Music School	80,540	
Municipal Regional Development Authority		610,500
Nutmeg Games	40,000	
Discovery Museum	196,895	
National Theatre of the Deaf	78,758	

CONNSTEP	390,471	
Connecticut Science Center	446,626	
CT Flagship Producing Theaters Grant	259,951	
Performing Arts Centers	787,571	
Performing Theaters Grant	306,753	
Arts Commission	1,497,298	
Art Museum Consortium	287,313	
Litchfield Jazz Festival	29,000	
Arte Inc.	20,735	
CT Virtuosi Orchestra	15,250	
Barnum Museum	20,735	
Various Grants	130,000	
Greater Hartford Arts Council	74,079	
Stepping Stones Museum for Children	30,863	
Maritime Center Authority	303,705	
Connecticut Humanities Council	850,000	
Amistad Committee for the Freedom Trail	36,414	
Amistad Vessel	263,856	
New Haven Festival of Arts and Ideas	414,511	
New Haven Arts Council	52,000	
Beardsley Zoo	253,879	
Mystic Aquarium	322,397	
Northwestern Tourism	400,000	
Eastern Tourism	400,000	
Central Tourism	400,000	
Twain/Stowe Homes	81,196	
Cultural Alliance of Fairfield	52,000	
AGENCY TOTAL	29,958,477	14,769,848

Sec. 10. (*Effective from passage*) The following sums are appropriated from the TOURISM FUND for the annual periods indicated for the purposes described.

DEPT. OF ECONOMIC & COMMUNITY DEVELOPMENT	2017-2018	2018-2019
Statewide Marketing		4,130,912
Hartford Urban Arts Grant		242,371
New Britain Arts Council		39,380
Main Street Initiatives		100,000

Neighborhood Music School	80,540
Nutmeg Games	40,000
Discovery Museum	196,895
National Theatre of the Deaf	78,758
Connecticut Science Center	446,626
CT Flagship Producing Theaters Grant	259,951
Performing Arts Centers	787,571
Performing Theaters Grant	306,753
Arts Commission	1,497,298
Art Museum Consortium	287,313
Litchfield Jazz Festival	29,000
Arte Inc.	20,735
CT Virtuosi Orchestra	15,250
Barnum Museum	20,735
Various Grants	393,856
Greater Hartford Arts Council	74,079
Stepping Stones Museum for Children	30,863
Maritime Center Authority	303,705
Connecticut Humanities Council	850,000
Amistad Committee for the Freedom Trail	36,414
New Haven Festival of Arts and Ideas	414,511
New Haven Arts Council	52,000
Beardsley Zoo	253,879
Mystic Aquarium	322,397
Northwestern Tourism	400,000
Eastern Tourism	400,000
Central Tourism	400,000
Twain/Stowe Homes	81,196
Cultural Alliance of Fairfield	52,000
AGENCY TOTAL	12,644,988

§ 130 – WOMEN'S BUSINESS DEVELOPMENT COUNCIL

Requires Connecticut Innovations, Inc. (CI) to provide a \$350,000 grant to the Women's Business Development Council in Stamford in each of FY 18 and FY 19.

§ 132 – MICROBIOME WORKING GROUP

Makes changes to the Microbiome Working Group established by SA 17-16.

Expands the 16-member working group's charge, including requiring an assessment of the state's capacity to establish itself as a microbiome industry leader.

Requires the (1) governor to appoint the chairperson of the working group from among its members and (2) Finance, Revenue and Bonding Committee's administrative staff to provide the group administrative support.

Requires the working group to present its report by February 1, 2018 at a joint presentation to the Commerce; Public Health; and Finance, Revenue and Bonding committees, rather than to the full General Assembly.

EFFECTIVE DATE: Upon passage

§ 134 – HIGHER EDUCATION ENTREPRENEURSHIP ADVISORY COMMITTEE MEMBERS

Changes the designation of CTNext's Higher Education Entrepreneurship Advisory Committee's members from “public officials” to “members of an advisory board” under the state Code of Ethics, thus relieving them from having to comply with the requirements applicable to public officials.

By law, the committee advises CTNext, a subsidiary of the quasi-public Connecticut Innovations, Inc., on applications for entrepreneurial grants submitted by higher education institutions.

§§ 168 & 169 – 7/7 BROWNFIELD REVITALIZATION PROGRAM

Qualifies eligible owners for:

- corporation business and personal income tax credits, sales and use tax exemptions, and a property tax assessment freeze during first seven years after an approved property's redevelopment and
- business or personal income tax deductions for eligible remediation expenses in years eight through 14 after the approved property was contaminated and remediated

Establishes a DECD-administered process through which eligible owners may apply for these incentives (approved applicants are “7/7” participants).

Requires application to include a plan and commitment to train and hire local students to work at the redeveloped properties in order to be eligible for the program's benefits.

Requires DECD and revenue services commissioner to adopt implementing regulations.

EFFECTIVE DATE: Upon passage an applicable to taxable and income years beginning on or after January 1, 2017

§ 214 – ARTWORK IN STATE BUILDINGS

Prohibits, from January 1, 2018 to January 1, 2020, the state bond commission from allocating, for the purchase of artwork, bond proceeds for constructing, reconstructing, and remodeling state buildings.

Current law requires that the state bond commission allocate at least 1% of bond proceeds for artwork in state building projects.

Applies the prohibition to projects commenced on or after January 1, 2018 to January 1, 2020.

§ 250 – FISCAL STABILITY AND ECONOMIC GROWTH COMMISSION

Establishes a 14-member Commission on Fiscal Stability and Economic Growth.

Requires the commission to develop and recommend policies to (1) achieve state government fiscal stability and (2) promote economic growth and competitiveness in Connecticut.

Specifies that it study and make recommendations on state revenues, tax structures, spending, debt, administrative and organizational actions, and related activities, including relevant municipal activities.

Specifies that the purpose of the study and recommendations is to (1) achieve consistently balanced and timely budgets that support family and business interests and revitalizing major cities and (2) materially improve the state's attractiveness for businesses and residents.

Provides that the commission's members include six appointed by the legislative leaders and eight appointed by the governor, all to be made within 30 days after the bill's passage.

Limits commission members to those with expertise in public finance, economic growth and development, job creation, or public administration.

Prohibits appointment of current public officials.

Requires appointing authorities to try to coordinate appointments so to have policy balance and diversity.

Specifies that any vacancy is to be filled by the appointing authority.

Requires the governor to select the commission's chairpersons from among the members.

Requires appointees to abide by Connecticut ethics laws for public officials and prohibits members from receiving compensation for serving on the commission.

Requires the commission's chairpersons to schedule and hold the commission's first meeting within 40 days after the bill's passage.

Requires the OPM secretary and DECD commissioner to (1) provide staff for the commission and (2) each designate at least one staff member to attend the commission's meetings.

Requires the legislature's four caucuses, the treasurer, the comptroller, and the attorney general to each appoint a staff member to (1) attend commission meetings if asked and (2) inform their respective agencies about the commission's activities.

Authorizes the commission to ask any state office, department, board, commission, or other agency to provide information and assistance as may be needed or appropriate to fulfill its tasks.

Requires the commission to hold at least one public hearing on its proposals.

Requires the commission, by March 1, 2018, to report to the governor, the legislature, and the Appropriations; Commerce; Finance, Revenue and Bonding; and Planning and Development committees on its findings and recommendations.

Requires the commission to end on the later of when it submits its report or March 1, 2018.

Requires the Appropriations; Commerce; Finance, Revenue and Bonding; and Planning and Development committees to hold a joint public hearing or individual public hearings on the commission's report by March 30, 2018.

Requires, during the 2018 regular session, (1) at least one of the above legislative committees to introduce, hold a public hearing on, and report out at least one bill with the report's recommendations that are relevant to the committee's cognizance and (2) the legislature to hold a vote on the bill (it is unclear whether this provision is enforceable against future legislatures).

EFFECTIVE DATE: Upon passage

§§ 377-553 – BOND AUTHORIZATIONS, ADJUSTMENTS, AND CANCELLATIONS

Program Title	Cancellations	FY 18 Amount	FY 19 Amount
Culture Grants Program	0	0	2,500,000
Manufacturing Assistance Act	0	275,000,000	75,000,000
Small Business Express	0	5,000,000	0
Targeted Brownfield Development	0	30,000,000	10,000,000
Connecticut Manufacturing Innovation Fund	0	8,500,000	6,500,000
URA Certificate Payments	10,000,000	0	0
Bioscience Collaboration Program - JAX	0	15,820,000	12,525,000
Bioscience Innovation Fund	0	15,000,000	15,000,000
Recapitalize CII Programs	0	20,000,000	20,000,000
East Hartford Economic Development	0	10,000,000	10,000,000
Urban Act	0	50,000,000	50,000,000
Sinking Homes	0	4,000,000	0

Extends the Connecticut Bioscience Innovation Fund bond authorizations by one year to FY 24, defers \$20 million in bonds currently authorized for FYs 18 and 19 to FY 24, authorizes an additional \$4 million in new bonds for the program, and designates \$3 million of the authorized bonding each in FYs 18 through 20 for grants to the Yale Connecticut Precision Medicine Initiative; cancels \$30 million in bonds authorized for FYs 17 to 19 for the Regenerative Medicine Research Fund; eliminates the requirement that at least \$10 million be available each year until FY 19 to provide funds for regenerative medicine research; and allows Connecticut Innovations, Inc. to use the Connecticut Bioscience Innovation Fund to fund regenerative medicine research as the law allows. (§§ 450-453)

§§ 566-567 – PREVAILING WAGE

Increases the prevailing wage law's threshold for new public works construction projects from \$400,000 to \$1 million; the bill does not change the \$100,000 threshold for renovations (projects that cost more than the threshold must pay prevailing wages to workers on the projects).

Specifies that public works prevailing wage thresholds apply to (1) a new construction project's total bond authorization and (2) any project's combined total costs.

Exempts from prevailing wage requirements, until July 1, 2019, any public works project that is (1) funded in whole or in part by a \$9 million - \$12 million private bequest and (2) for a New Haven County municipality that has a population between 12,000 and 13,000.

Applies prevailing wage requirements to private-sector new construction or renovation projects if DECD provided at least \$1 million in financial assistance for the project on or after January 1, 2018.

EFFECTIVE DATE: Upon passage

§ 626 – FILM AND DIGITAL MEDIA PRODUCTION TAX CREDITS

Restores and makes permanent the moratorium on issuing film and digital media production tax credits to certain motion pictures.

Prior moratorium expired on July 1, 2017.

Moratorium does not apply to motion pictures that conduct at least 25% of their principal photography days in a Connecticut facility that receives at least \$25 million in private investment and opens for business on or after July 1, 2013.

Starting January 1, 2018, allows credits to also be claimed against the gross receipts tax on cable, satellite, and competitive video services.

Under current law, credits may only be claimed against the insurance premium and corporation business tax.

Limits the extent to which transferred credits may be claimed against the gross receipts tax on cable, satellite, and competitive video services as follows:

- For the income year beginning on or after January 1, 2018, transferred credits may be claimed against such tax (1) only if there is common ownership of at least 50% between the transferor and transferee and (2) at 92% of face value
- For income years beginning on or after January 1, 2019, transferred credits may be claimed against such tax (1) at 92% of face value if there is at least 50% common ownership between the transferee and transferor or (2) at 95% of face value if transfer is to another taxpayer

EFFECTIVE DATE: Upon passage

§§ 637 & 639 – TOURISM FUND

Establishes a separate and nonlapsing tourism fund and capitalizes it with 10% of the revenue generated by the room occupancy tax.

Requires the revenue services commissioner to deposit 10% of the revenue generated by the room occupancy tax in the fund.

The fund must also contain any other money the law requires to be deposit in the fund.

§ 658 – TAX EXPENDITURE ANALYSIS

Requires the OPM secretary, in consultation with the revenue services and economic and community development commissioners to:

- Examine existing state tax expenditures
- Identify (1) priorities for such and other revenue sources the state can use to pay for these expenditures, and
- By February 1, 2018, report their findings and recommendations to the Finance, Revenue and Bonding Committee

EFFECTIVE DATE: Upon passage

§ 659 – STATE AGENCIES TO REVIEW FEES

Requires all agency heads, except the Office of Policy and Management (OPM) secretary, to determine whether the fees charged by their departments cover the cost of collecting the fee and administering the program for which the fee is collected.

Agency heads must recommend any fee increases to the OPM secretary before December 1, 2017.

OPM secretary must review agencies' submissions and submit, by February 7, 2018, a report on recommended fee increases to the Finance, Revenue and Bonding Committee.

Limits the fee recommendations submitted to the committee to those that are increased by no more than 50% and the aggregate fee increases may not exceed \$20 million (it is unclear under how this cap is measured).

§§ 701-703 — STRANDED TAX CREDITS

Requires Department of Economic and Community Development (DECD) to establish programs to allow taxpayers with certain “stranded” tax credits to use them in exchange for making certain capital or venture investments.

“Stranded” tax credits are credits that a taxpayer has earned but not taken through the business's last complete income year; bill refers to such credits as “accumulated credits”.

Total amount of credits, at full value, used for capital projects and venture capital investments made through auction or agreement may not exceed \$50 million in the aggregate.

EFFECTIVE DATE: Upon passage

Stranded Tax Credits and Capital Projects

Requires DECD to establish and administer a program that allows in-state businesses to use stranded nonincremental R&D tax credits for eligible in-state capital projects.

Eligible projects may be planned or currently underway and must (1) expand the business's scale or scope, (2) increase employment at the business, or (3) generate a substantial return to the state's economy.

Businesses must apply to DECD to use their stranded credits under the program and include specified details about the project and its costs.

Requires DECD commissioner to perform an econometric analysis of each proposed project and approve only those projects that will generate state revenue in excess of the amount of stranded tax credits proposed for use.

Stranded credits may be claimed against the corporation business and sales and use taxes according to a schedule determined by the commissioner, DRS, and OPM.

Prohibits credits from being claimed until the capital project has generated enough revenue to cover the credits' cost to the state.

Requires DECD, starting by February 1, 2019, to include information about the program in its annual report.

Allows DECD commissioner to adopt regulations to implement the program.

Stranded Tax Credits and Venture Capital Investments

Requires the DECD commissioner, in consultation with the DRS commissioner and Connecticut Innovations (CI) CEO, to hold tax credit auctions (termed “innovation investment fund tax credit auctions” in the bill) or enter into agreements to allow taxpayers holding stranded incremental and nonincremental R&D tax credits to use the credits in exchange for making investments in their corporate venture capital fund.

DECD must hold auctions or seek agreements until at least two deals with different funds are reached and may continue holding such auctions after that.

Establishes a process for the auctions and requires that winning bidders be selected based on (1) the amount the bidder proposes to invest and the amount of stranded credits the bidder is seeking to exchange and (2) any other criteria deemed appropriate by DECD commissioner and CI CEO.

Requires DECD commissioner to invest the amount received from the winning bidder or bidders in the winning bidder's corporate venture fund, subject to specified conditions, including

- investments must be made under the advisement of a CI representative, who must be a member of the corporate venture fund's investment committee
- amount invested must be between \$5 million and \$10 million
- investments must be in in-state startup businesses or spin-off companies from the bidder's R&D department
- the portion of profits from such investments must be divided evenly between the bidder, who must reinvest them in the venture fund, and the state, which must deposit its portion into the General Fund

In lieu of auctions allows the commissioner, in consultation with the CI CEO, to enter into an agreement with a taxpayer, to allow the taxpayer to use stranded credits under the same conditions that apply to investments made through auctions.

Beginning July 1, 2020, the credits allowed for venture capital investments may be claimed against the (1) sales and use tax or (2) corporate business tax, regardless of any applicable tax credit caps.

Taxpayers may not claim any credits until the second full income year after making the investment and must claim them according to a schedule agreed to by the commissioner and the taxpayer.